MCNAIR LAW FIRM, P.A.

ATTORNEYS AND COUNSELORS AT LAW

ROBERT T. BOCKMAN bbockman@mcnair.net

THE TOWER AT 1301 GERVAIS 1301 GERVAIS STREET COLUMBIA, SOUTH CAROLINA 29201 www.mcnair.net

POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE (803)799-9800
FACSIMILE (803) 753-3219

Posted: O Dake

April 19, 2007

The Honorable Charles L.A. Terreni Chief Clerk and Administrator South Carolina Public Service Commission Post Office Box 11649 Columbia, South Carolina 29211 Date: 42307

Time:

RE: Application of Chem-Nuclear Systems, LLC (SCPSC Docket No. 2000-366-A) (Fiscal Year 2006-2007 Proceeding)

Dear Mr. Terreni:

During the hearing before the Commission on Thursday, April 12, 2007, Chem-Nuclear Systems, LLC, ("the Company"), Chairman Hamilton directed the Company to provide certain information in response to two questions that members of the Commission asked the Company's witness James W. Latham. As counsel for the Company, I have been authorized to provide the following narrative description in response to those questions and provide the enclosed post-hearing exhibit as Hearing Exhibit No. 2.

First, Chairman Hamilton requested Mr. Latham to provide the amount of the total allowable costs that the Company incurred during Fiscal Year 2005-2006 to which the Company and the Office of Regulatory Staff ("ORS") agreed as represented in the Settlement Agreement between those parties in Hearing Exhibit No. 1. The total of fixed, variable and irregular costs for the period was \$10,437,662.

Second, Commissioner Clyburn requested Mr. Latham to provide a "post-hearing exhibit" which would explain the difference between the total actual allowable costs which the Company incurred from July 1, 2006, through November 30, 2006, and the total allowable costs expected for fiscal year 2007, as depicted on page 1 of Exhibit AA, which was attached to the Settlement Agreement between the Company and ORS. The enclosed document, which separates the total actual and the expected allowable costs into the categories of fixed, variable and irregular costs, illustrates that the actual and expected costs are closely aligned and provides the information that Commissioner Clyburn requested. The Company respectfully requests the Commission to admit the enclosed document as evidence in the record as Hearing Exhibit No. 2 (Post-hearing).

By copy of this letter, I am providing the information to all parties of record and to the Commission's Court Reporter.

If you have any questions with respect to this matter, please do not hesitate to contact me.

MCNAIR LAW FIRM, P.A. ATTORNEYS AND COUNSELORS AT LAW

The Honorable Charles L.A. Terreni April 19, 2007 Page 2

Very truly yours,

Robert T. Bockman

Enclosure RTB/yms

Mr. Dan F. Arnett The Honorable Henry White The Honorable Henry D. McMaster Hana Pokorna-Williamson, Esquire Frank R. Ellerbe, III, Esquire Florence P. Belser, Esquire Jo Elizabeth M. Wheat (all w/encl.)

		Per Revised Application		Actual Through 11/30/2006		Difference	
	Fixed Costs						
Fixed Costs to which 29% operating margin is added:							
Labor and Fringe Non Labor Corporate Allocations (Management Fees/G&A) Depreciation Insurance Equipment Leases and Support Total Margin Cost	\$ \$ \$ \$	3,170,000 1,232,000 1,245,272 225,000 787,254 400,000	\$ \$ \$ \$	1,164,795 446,769 907,490 95,284 276,094 207,838	\$ \$ \$ \$ \$ \$	2,005,205 785,231 337,782 129,716 511,160 192,162	
Fixed costs to which 29% operating margin is not added:	•	7,059,526	3	3,098,270	\$	3,961,256	
Intangible Asset Amortization Employee Retention compensation Legal Support (license appeal) Total Non-margin Cost	\$ \$ \$	625,000 99,637 75,000 799,637	\$ \$ \$	260,417 43,777 74,446 378,640	\$ \$ \$	364,583 55,860 554 420,997	
Total Fixed Cost		7,859,163	\$	3,476,910	\$	4,382,253	
Irregular Costs							
Trench construction License appeal Corrective Actions Site Enginering Drawings Irregular components Miscellaneous Total Irregular Costs	\$ \$ \$ \$ \$	60,000 20,000 14,766 60,000 40,000 15,000	****	68,104 7,169 1,052 30,351 780 9,678	\$ \$ \$ \$	(8,104) 12,831 13,714 29,649 39,220 5,322	
Total Inegular Costs	•	209,700	.	117,134	ð	92,632	
Variable costs							
Vaults Labor and Non-Labor Cost Total Variable Costs			\$ \$ \$	650,773 330,621 981,394			